

House Bill 376

By: Representatives Rice of the 51st, Lunsford of the 110th, Chambers of the 81st, Ehrhart of the 36th, Graves of the 12th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 6 of Title 31 of the Official Code of Georgia Annotated, relating to state
2 health planning and development, so as to revise the definition of "new institutional health
3 service" for purposes of certificate of need requirements; to provide for related matters; to
4 repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Chapter 6 of Title 31 of the Official Code of Georgia Annotated, relating to state health
8 planning and development, is amended in Code Section 31-6-2, relating to definitions, by
9 revising paragraph (14) as follows:

10 "(14) 'New institutional health service' means:

11 (A) The construction, development, or other establishment of a new health care
12 facility;

13 (B) Any expenditure by or on behalf of a health care facility in excess of \$900,000.00
14 which, under generally accepted accounting principles consistently applied, is a capital
15 expenditure, except expenditures for acquisition of an existing health care facility not
16 owned or operated by or on behalf of a political subdivision of this state, or any
17 combination of such political subdivisions, or by or on behalf of a hospital authority,
18 as defined in Article 4 of Chapter 7 of this title, or certificate of need owned by such
19 facility in connection with its acquisition;

20 (C) Any increase in the bed capacity of a health care facility except as provided in
21 Code Section 31-6-47;

22 (D) Clinical health services which are offered in or through a health care facility,
23 which were not offered on a regular basis in or through such health care facility within
24 the 12 month period prior to the time such services would be offered;

(E) Any conversion or upgrading of a facility such that it is converted from a type of facility not covered by this chapter to any of the types of health care facilities which are covered by this chapter;

(F) The purchase or lease by or on behalf of a health care facility of diagnostic or therapeutic equipment with a value in excess of \$500,000.00. The acquisition of one or more items of functionally related diagnostic or therapeutic equipment shall be considered as one project;

(G) Clinical health services which are offered in or through a diagnostic, treatment, or rehabilitation center which were not offered on a regular basis in or through that center within the 12 month period prior to the time such services would be offered, but only if the clinical health services are any of the following:

(i) Radiation therapy;

(ii) Biliary lithotripsy;

(iii) Surgery in an operating room environment, including but not limited to ambulatory surgery; provided, however,;

(I) Prior to July 1, 2007, this provision shall not apply to surgery performed in the offices of an individual private physician or single group practice of private physicians if such surgery is performed in a facility that is owned, operated, and utilized by such physicians who also are of a single specialty and the capital expenditure associated with the construction, development, or other establishment of the clinical health service does not exceed the amount of \$1—million \$1,610,823.00; and

(II) On and after July 1, 2007, this provision shall not apply to surgery performed in the offices of an individual private physician or single group practice of private physicians if such surgery is performed in a facility that is owned, operated, and utilized by such physicians who also are of a single specialty, including general surgery, regardless of the amount of capital expenditures associated with the construction, development, or other establishment of the clinical health service; and

(iv) Cardiac catheterization; or

(H) The purchase, lease, or other use by or on behalf of a diagnostic, treatment, or rehabilitation center of diagnostic or therapeutic equipment with a value in excess of \$500,000.00. The acquisition of one or more items of functionally related diagnostic or therapeutic equipment shall be considered as one project.

The dollar amounts specified in subparagraphs (B), (F), and (H) of this paragraph; ~~division (iii) of subparagraph (G) of this paragraph and of paragraph (7) of this Code section, and in division (iii) of subparagraph (G) of this paragraph prior to July 1, 2007,~~ shall be adjusted annually by an amount calculated by multiplying such dollar amounts

(as adjusted for the preceding year) by the annual percentage of change in the composite construction index, or its successor or appropriate replacement index, if any, published by the Bureau of the Census of the Department of Commerce of the United States government for the preceding calendar year, commencing on July 1, 1991, and on each anniversary thereafter of publication of the index. The department shall immediately institute rule-making procedures to adopt such adjusted dollar amounts. In calculating the dollar amounts of a proposed project for purposes of subparagraphs (B), (F), and (H) of this paragraph, ~~division (iii) of subparagraph (G) of this paragraph, and of paragraph (7) of this Code section, and in division (iii) of subparagraph (G) of this paragraph prior to~~ July 1, 2007, the costs of all items subject to review by this chapter and items not subject to review by this chapter associated with and simultaneously developed or proposed with the project shall be counted, except for the expenditure or commitment of or incurring an obligation for the expenditure of funds to develop certificate of need applications, studies, reports, schematics, preliminary plans and specifications or working drawings, or to acquire sites."

SECTION 2.

All laws and parts of laws in conflict with this Act are repealed.